



Foreign Agricultural Service

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## Japan

### Market Development Reports

#### Food Business Line

*Periodic Press Translations from ATO Tokyo*

**2002**

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**Report Highlights:** A summary of current news reports in America's largest food and agricultural export market as translated from Japan's mass media and food press. This issue includes: Wal-Mart announces tie-up with Seiyu supermarket retailer; McDonald's Japan to close record 130 outlets in 2002 due to BSE; local Japanese farmer-owned "farmer's restaurants" are gaining popularity; and Snow Brand Milk Products announces the sale of the overseas products division of its Snow Brand Foods subsidiary to Nissho Iwai.

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Includes PSD changes: No  
Includes Trade Matrix: No  
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# Food Business Line

Periodic Press Translations from ATO Tokyo

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## Retail/Wholesale

- *Wal-Mart* announced it will become a 6.1% stockholder of *Seiyu* supermarket retailer, with plans to increase its share to 66.7% in the future. *Wal-Mart's* total investment is expected to go as high as \$2 billion. (b 3/16)
- In order to meet more diversified consumer needs and increase sales, department stores and supermarkets are starting to hire "advisory staff" to offer specialized services for specific consumers. The so-called "Heart-ful Advisor" at *Seibu Department Store* assists elderly and physically disabled customers. Similarly, *AEON* (formerly *Jusco*) has hired a bicycle specialist, *Tokyu Store* has hired a wine advisor, and *Isetan Department Store* has hired a cosmetics advisor. (a 3/9)

## Food Service

- *McDonald's Japan* plans to close a record 130 outlets in 2002, due to the decline in sales following the detection of BSE. (a 3/17)
- Local Japanese farmers are opening a new type of restaurant, generally referred to as "farmer's restaurants." Owned directly by local farmers, these restaurants are gaining popularity among consumers for their image of safety, good taste, and low prices. (a 3/12)
- *Capricciosa Corporation*, operator of the "Capricciosa" Italian restaurant chain, plans to open a fast food pasta shop in central Tokyo on March 25. Frozen pasta which requires only 8 seconds to boil will be used at the store. (a 3/11)
- Food service chain operator *DWI* plans to open a small-scale "Hard Rock Café" on March 25 inside Tokyo's Ueno Station. The restaurant will be half the size of a normal outlet, and take-out menus targeting businessmen and tourists will be offered. It will be the first "Hard Rock Café" of its size in the world. (b 3/12)

## Food Processing/New Products/Market Trends

- *Snow Brand Milk Products* announced on March 21 it will sell the overseas products division of its *Snow Brand Foods* subsidiary to *Nissho Iwai Corporation* by the end of the month. (a 3/22)
- While the aggregate sales volume of the five major beer companies in February increased 3.5% compared to the same month last year, total beer sales declined 10%. At the same time, *happoshu* malt liquor sales increased 28.7%. For the first time, the share of *happoshu* malt liquor sales have exceeded 40% of the total beer and *happoshu* market sales. (a 3/12)
- The Tohoku (Northern Japan) regional agricultural office inspected the Sendai office of *Marubeni Chikusan* on March 18, following reports that the company had disguised imported chicken as domestic and sold it to local supermarkets. (a 3/18)

- As part of the Ministry's reform plan following the recent BSE crisis, Japan's Agriculture Ministry announced on March 19 that it plans to send Ministry personnel into the field for training at food industry establishments, such as restaurants and supermarkets. (a 3/20)

#### **ATO/Cooperator/Competitor Activities/Trade Shows**

- The volume of exports of Australian beef to Japan from October 2001 to January 2002 declined 30% compared to the same period the previous year. However, the Japan Representative of *Meat and Livestock Australia* stated that they are satisfied with the results of their recent survey that more consumers regard Aussie beef as the safest beef, particularly since the detection of BSE in Japan. The group conducted a special beef food safety campaign addressing concerns about BSE which ran last October through December. (b 3/9)
- The *US Potato Board* is currently promoting IQF shredded potatoes. Although the product is not yet well known among Japanese consumers, leading manufacturers *Nichirei* and *Nichiro* each just announced new frozen product lines using IQF shredded potatoes in March. (b 3/19)
- The *Raisin Administrative Committee* will hold a consumer promotion campaign from March 15 to May 31. (c 3/13)
- *Matsuo*, the *Matsuo Roma Association*, and the *Japan Food Service Distribution Service Association* held a special spring seminar in Tokyo on March 16, featuring Chef Paul Prudhomme of *Magic Seasoning Blends* from the United States. (f 3/21)

#### **RRRRRRRR**

##### **Sources**

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |

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